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RUEHSM/AMEMBASSY STOCKHOLM 1084
RUEHVL/AMEMBASSY VILNIUS 3901
RUEHTL/AMEMBASSY TALLINN 4109

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STATE FOR EB/CBA

STOCKHOLM FOR FCS

E.O. 12958: N/A

TAGS: [EAIR](#) [BTIO](#) [ECON](#) [LG](#)

SUBJECT: AMBITIOUS PLANS FOR RIGA AIRPORT; AMERICAN INVESTMENT
DESIRED

¶1. Summary: Riga airport has an ambitious plan to expand to handle as many as 15 million passengers a year by 2020. The head of Riga airport is seriously interested in having American firms bid on many of the projects related to the airport's expansion. There are also plans to increase the number of direct flights to the US, primarily through New York. While the plans are grandiose and may not be fully realized, we believe that there are a number of opportunities for American businesses in the project. End Summary.

¶2. Pol/econ chief was recently briefed by Krisjanis Peters, head of the Riga International Airport, on the airport's newly adopted expansion plans. Riga expects to handle 3 million passengers this year on the 50 direct routes that operate from Riga. Currently, the two largest carriers are AirBaltic (jointly owned by the GOL and Scandinavian Airlines) and Ryan Air.

¶3. The first phase of expansion is already under way and will include a new, expanded check-in area, expansion of the runway from 2.3 km to 3.2 km, and addition of new long haul routes -- including AirBaltic flights to New York and Beijing, and charter flights to Bangkok in winter.

¶4. By 2012, Peters said, the airport expects to be able to handle 10 million passengers a year with a significantly reconfigured gate and taxiway system, new air traffic control facilities, and development of a business park and hotels on the airport premises. There is also the possibility of a convention center, although Peters said that was being considered separately from the main development plans. Peters also outlined plans to have a railway station to carry passengers to Riga or the seaside resort of Jurmala. The airport was also discussing with the city of Riga the possibility of a light rail or monorail system from the airport to the city center.

By 2020 Peters believes the airport will be able to accommodate 15 million passengers a year and will have a second runway.

¶5. Peters stressed repeatedly in the briefing that he would very much welcome American investment in the airport's development. He identified construction, hotel management, and the possible convention center as particular areas of interest. He also noted that the airport would be commissioning a new master plan and would like to see American companies bid on the tender when it goes out in the fall.

¶6. Comment: This is a very extravagant plan for Riga's airport -- mainly the work of transport minister Ainars Slesers. Nevertheless, we believe that there are opportunities for growth as more people discover Riga and Latvia as tourist and business destinations. With AirBaltic and RyanAir providing low cost flights to and through Riga, passenger traffic through the airport is growing at roughly 30

- 40 percent per annum. . We believe Peters is sincere in his desire for American businesses to bid on projects. Planning, hotel management, and architectural design are probably the areas of greatest likelihood of success for US-based firms.

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